



Dr. KKDM
ECONOMIC AGENCY

Dr. Kenneth Kaunda District Municipality
Economic Agency

enabling economic growth & diversification

2017/18

MID-TERM PERFORMANCE ASSESSMENT REPORT

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ABBREVIATIONS

CEO:	Chief Executive Officer
CIPIC:	Companies and Intellectual Property Commission
GDS:	Growth and Development Strategy
KPIs:	Key Performance Indicators
LED:	Local Economic Development
R & D:	Research & Development
Dr. KKDM:	Dr. Kenneth Kaunda District Municipality
IDP:	Integrated Development Plan
DGDS:	District Growth and Development Strategy
SLA:	Service Level Agreement
NW:	North West
CASP:	Comprehensive Agricultural Support Programme
MPAC:	Municipal Public Accounts Committee
IDC:	Industrial Development Corporation
INW:	Invest North West
DARD:	Department of Agriculture and Rural Development

CHAPTER 1: INTRODUCTION

Chapter 10 of the Local Government: Municipal Finance Management Act, 2003, Sec.88 (Act No. 56 of 2003), requires the municipal entity to draft a mid-year budget and perform performance assessment. The following is the sub section of the act on mid-year budget and performance assessment requirements:

- (1) *'The accounting officer of a municipal entity must by 20 January of each year-*
- (a) *assess the performance of the entity during the first half of the financial year, taking into account'*
- (i) *the monthly statements for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and*
- (ii) *the entity's annual report for the past year, and progress on resolving problems identified in the annual report; and*
- (iii) *submit a report on such assessment to –*
- (i) *the board of directors of the entity; and*
- (ii) *the parent municipality of the entity.*

(2) *A report referred to in subsection (1) must be made public.*

The Municipal Entity is then required to develop the following, as legislated by the Municipal Finance Management Act.

- Develop a performance management system;
- Set targets, monitor and review performance
- Develop an annual report on performance management for the Board of Directors, Executive management and staff
- Incorporate and report on a set of general indicators prescribed in the strategy implementation plan
- Conduct an internal audit on performance before tabling the report;

1. OVERVIEW

The Dr. Kenneth Kaunda District Municipality Economic Agency is a state-owned enterprise with a Board of Directors and Executive Management that is responsible for the implementation of projects and programs of the agency as delegated by the Board. The economic agency as an advocate of the municipality on the implementation of projects and programs has an in-depth understanding of the municipality's goals and objectives. The Dr. Kenneth Kaunda District Municipality, as a shareholder has rights pertaining to the change of ownership, the right to vote, which justifies its articulation in the appointment of directors and in determining the objectives and broad management trends of the economic agency.

The Board of Directors is the strategy formulation and policy making body of the economic agency. Once policy and strategy have been agreed to between the Board and Executive Management, implementation is carried out by the management team.

The district is situated in the North West Province. The municipality is located about 65 km south west of Gauteng province. The district borders the Gauteng province to the northeast and the Free State province to the south. The district municipality consists of four local municipalities, namely, Matlosana, Tlokwe, Maqwassie Hills and Ventersdorp. The office of Dr KKDM Economic Agency is located at Disaster Risk Management Centre at 02 Chris Hanie Road, Irene Park, Klerksdorp.

1.1. VISION

To be a catalyst for Economic Development in the Dr. Kenneth Kaunda District Municipality of North West province, benefiting all communities in the district-designated area of jurisdiction.

1.2. MISSION

The mission of the Dr. KKDM Economic Agency is to:

- effectively implement existing, partner and new projects,
- attract investment for business development within the Dr. Kenneth Kaunda District Municipality,
- encourage and support business participation in spatial development initiatives, as well as
- Strengthen and regenerate business sectors (sector development).

1.3. GOAL

To partner with municipalities within the Kenneth Kaunda district in the implementation of key local economic development projects, by championing investment in or supporting business development for selected high impact projects to stimulate economic growth, job creation and economic diversification in the Dr. Kenneth Kaunda district municipality.

CHAPTER 2: GOVERNANCE

1. CORPORATE GOVERNANCE STATEMENT

The Board of Directors of the Dr. KKDM Economic Agency confirms its continued commitment to good corporate governance and upholding a high corporate governance ethos. During the financial period, the Directors openly applied the MFMA, MSA, MSA (Amended), Companies Act and King 2 governance in managing the affairs of the Agency.

The Directors firmly understand that the underlying principles of Corporate Governance are the values, ethics and commitment required to effectively run the agency, the board and its committees.

1.1. BOARD OF DIRECTORS

The Board of Directors is the Strategy Formulation and Policy making body of the Agency. Once policy and strategy have been agreed to between the Board and Executive Management, implementation is carried out by the management team. In the beginning of the financial year the Agency was operating with 5 Board Members, the one member resigned in July 2016 due to governance issue that were facing the Board.

1.2. RESPONSIBILITIES

The Board provides strategic direction to the agency and reviews its performance, authorizes and monitors strategic decisions, ensures compliance and safeguards the interest of Shareholders and Stakeholders.

1.3. BOARD COMMITTEES

Dr. KKDM Economic Agency is having three (3) board committees, i.e. Projects & Investments Committee, Human Resource Committee and Audit & Risk Committee. However, the Entity and its Parent Municipality are having a joint Audit & Risk

Committee on a shared service model. The board committees are there to assist directors in executing their duties and responsibilities.

1.3.1.Human Resources Committee

The Human Resources Committee has been established to assist the Board in formulating and monitoring human resource related policies. Amongst other responsibilities the Human Resource committee is responsible for executive appointments, and monitoring and evaluation of the performance of staff. It further assists the Board to develop management and staff support programs. This committee reports directly to the Board. This committee was not functional for the reporting period.

1.3.2.Investment and Projects Committee

The primary objective of the Investment and Project Committee is to create an enabling environment for instigating catalytic projects and attracting potential investors. This committee reports directly to the Board. This committee was not functional for the reporting period.

1.3.3. Audit and Risk Committee

This committee has been completely outsourced to the parent municipality. The audit and risk committee and audit functions of the agency are handled by the audit and risk committee and audit department of the parent municipality.

1.3.4.Board Proceedings

The Board meets at a minimum of bi monthly sittings. Further meetings are arranged as ad-hoc and as devoted to resolving specific issues. Additional meetings are convened as and when required. The following are Board Members of the Agency:-

- NJ. Kali : Acting Chairperson
- J. Douw : Board Member
- D. Daniel : Board Member
- V. Richards : Board Member

- T. Molefe : Permanent Chairperson of the Board (Appointed 01/12/2017)
- P. Boolah : Board Member (Appointed 01/12/1017)

1.3.5.Municipal Representatives

The role of the municipal representatives is to oversee the activities of the agency and to ensure that the interests of the parent municipality are well catered for and the strategy of the municipal entity is well aligned with the district growth and development strategy. The following municipal executives served on the board as municipal representatives:

1. Ms. T. Chanda : Acting Municipal Manager(Parent Municipality)
2. Cllr M. Mbele : MMC Economic Development and Tourism
3. Mr M.L Makhetha : Director DED & Tourism

1.4. STAFF

The staff compliment for the agency is as follows:

- Chief Executive Officer (Appointed 01/12/2017)
- Finance and Corporate Officer
- Office Administrator
- Project Officer and
- Office Assistant.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

1. DELIVERABLES FOR 2017/2018 FINANCIAL YEAR

With the new Chief Executive Officer whose appointment came to effect on the 01st of December 2018, the Entity is in a process of reviewing its 2017/2018 operational plan. The plan will be submitted to its Portfolio Committee will be approved by both the Board and Council.

The core business of the economic agency as will be defined in the 2017/2018 operational plan will be based on the following key deliverables.

1.1. LOCAL ECONOMIC DEVELOPMENT

- Contribute to the creation of an enabling and conducive legislative, policy and regulatory environment for increased and sustainable investments and trade activities.

- Identify, support, implement and manage economic development strategies and projects that government should invest in to serve as a catalyst for economic development.

1.2. INVESTMENT AND TRADE FACILITATION

- Set competitive investment climate for local and international companies
- Promote Foreign Direct Investment (FDI) within the Dr. Kenneth Kaunda District Municipality.
- Promote Domestic Direct Investment (DDI) within the Dr. Kenneth Kaunda District Municipality.
- Offer innovative solutions to companies' investment issues.
- Increase Dr. KKDM's exposure to potential investors and promote Dr. KKDM as a preferred destination for business location and investment.

1.3. PROJECT FACILITATION

- Scope catalytic projects
- Implement projects selected from the municipality IDP's
- Assist municipalities in scoping catalytic project
- Manage projects until the implementation stage
- Assist investors with work permit applications
- Assist with packaging of projects
- Source sites or location for business location
- Formulate networking opportunities
- Assist with packaging of project

1.4. ECONOMIC RESEARCH ACTIVITIES

- Develop economic profiles in partnership with local municipalities and other local players to identify economic development opportunities and threats
- Formulate strategies to enhance medium and long term competitiveness of Dr. KKDM local municipalities
- Retain and expand established local and international business in the Dr. KKDM

2. PERFROMANCE REPORT

The following is the performance report based on the key performance plan outlined in the 2017/2018 operational plan. The key performance plan of the economic agency is also included in the parent municipality's integrated development plan.

2.1. LOCAL ECONOMIC DEVELOPMENT STRATEGY

The Entity together with Economic Development Departments from both the District and all its Local Municipalities resolved in the LED Forum to undertake a process of reviewing the LED Strategy, this is whereby key focus areas, strategic programmes for implementation and the operational plans will be reviewed and agreed upon. In order to ensure a common vision and understanding and the alignment of the functions, roles and responsibilities of the DEDT and other role-players towards LED in the District, the workshop will have representation from a range of role-players, including local municipalities, the Dr KKDM Economic Agency and Provincial departments and structures such as SALGA North West, the North West Department of Local Government and Traditional Affairs and the North West Parks and Tourism Board. The strategic plan will provide guidance on strategic issues and implementation plan.

2.2. PLANNED PROJECTS

2.2.1. TIISANG PIGGERY

The Maquassie Hills Piggery is in an intensive piggery (or hot lot), a type of factory farm that will specialise in the raising of domestic pigs up to slaughter weight. In this system of pig production, grower pigs are housed indoors in group housing or straw-lined sheds, whilst pregnant sows are confined in sow stalls (gestation crates). The project is based in Maqwassie Hills Local Municipality and it has 13 beneficiaries.

The project is envisaged as a complete process where piglets are soirced from reputable breeders, introduced into the facility and raised to predetermined weight, at which point, a selection will be made whether to dispose of these through sales to abattoirs or make some of the pigs available to other start-up farmers in the area.

The planning phase for the project have been completed, lad was identified, boreholes were erected and the lad had been zoned for agriculture.

2.2.2. STEPPING STONE DRY BEAN PRODUCTION

During the development of this plan, information on the feasibility and statistical data on the desired project, a synoptic assessment of the industry was done. The assessment was done on consultation with the published material of the Department of Agriculture Fish and Forestry and Potatoes South Africa. The following information set a tone on the demand and viability of the potatoes business. However, save to suggest that a detailed feasibility study and business plan, accompanied by market developments is vital to the success of the project.

2.2.2.1. Potatoes Industry in South Africa

Potatoes are among the top commodities produced in South Africa. It is one of the most important staple crops, topping all vegetables in terms of volume and value of production. Potatoes are produced in all nine provinces of South Africa, with most production emanating from the commercial sector and a small contribution from the small holder sector. The industry is operating in a free market economy, where prices are determined by demand and supply.

2.2.2.2. Types of production

According to Potatoes South Africa there was 654 production units for potatoes in 2011. Production is divided into two different types, namely seed and table potatoes (which includes potatoes for processing).

Table potatoes are produced by 600 to 700 commercial producers, while certified seed potatoes are produced by approximately 100 registered seed potato growers under the supervision and administration of the Potatoes Certification Service (PCS). The process of certification is monitored by a sophisticated data management system and approximately 10 000 hectares are registered annually for seed production. The industry has a sophisticated seed potato industry, which plays an important role in growth of the table potato and processing industries.

2.2.2.3. Irrigation v/s dry land production

Most of potatoes are grown on relatively large farms, increasingly under irrigation, with yields averaging around 40 tons per ha. Potatoes under irrigation, accounted for 84% of the cultivated hectares during the 2010 production year. However potatoes are also grown under dry land conditions during the summer, when there is more rainfall. Dry land potatoes production accounted for 16% of the hectares under production during the 2010 production year. Potatoes are distributed as table, processing and seed crop. The table crop processing account for 88% of the total production and is mainly used for consumption. The seed crop accounts for 12% of the total production and is used for regeneration. Potatoes for consumption are marketed through various marketing channels, such as the formal, informal export markets.

2.2.2.4. Potential markets

The informal market sector includes all the retailers such as Fruit and Veg, Pick - n - Pay, Shoprite/Checkers, Spar, Woolworths, Freshmark, and Housewife market as well as other retailers and processors. Processors like Willards, Simba and McCain work on contractual basis, with producers providing them with raw materials which are then converted into processed products. In the export markets, the SACU countries play a leading role as the major designation for Potatoes South Africa.

2.2.2.5. South African Potatoes Production

It is estimated that production of the table potatoes comes from between 700 and 800 commercial producers, who produced the South African crop of seed and table potatoes. During the 2011 production year, a total of 2.1 million tons of potatoes were produced compared to 1.6 million tons produced in 1997. This shows a positive growth of 33% in production of potatoes over the last 15 years. Further, in 2011 there was an increase in production by 4% as compared to the 2010 production season. There was a decrease of 10% in production of potatoes during 2002 compared to 2001 season. The decrease in production of potatoes was distributed to high input costs such as seed, fertiliser and fuel.

2.2.2.6. Potato Production Regions And Production Season

Potatoes are produced in sixteen regions across South Africa. The concentration of potatoes production is mainly in the following regions: Limpopo, Eastern Free State, Sandveld, Western Free State and Kwa Zulu - Natal. The season is divided into two production periods. The early crop is planted from January to March and the main crop is planted from April to August. The months of November and December are avoided because of high temperatures combined with long day lengths, which are not conducive for planting. In spite of months when no planting is done, the country enjoys fresh potatoes produced throughout the year.

2.2.2.7. Hectares under Production

Potatoes production in South Africa is largely under irrigation. Irrigation accounts for 80% of the total area under production over the last 15 years is estimated at 52 112 ha. The industry has experienced a decline in farming units, which numbered 2 031 in 1993, 629 in 2009 and 654 in 2011. The decline in farming units, however, did not have any impact on total production.

2.2.2.8. Main cultivars planted

There are many cultivars of potatoes used in production. These cultivars are selected and planted in line with market requirements and the suitability of production regions. The main cultivars planted during the 2010 production season included Mondial, which contributed 43% followed by BP1, with a contribution of 12%, and UTD, which contributed 9%.

There were other varieties, however, which contributed 36% to the total production of potatoes during the 2010 season, which included the buffelspoort, Vanderplank, Darius, Fabula and others.

2.2.2.8.2.2.2.9. Per Capita Consumption Of Potatoes

In South Africa, potato consumption has been growing in urban areas, while in rural areas maize is still the staple. The rise in potato consumption could be attributed to

rising levels of income that drives nutritional changes of consumers towards more energy-dense food and prepared food products.

2.2.2.9.2.2.10. Sales And Pricing Of Potatoes

The National Fresh Produce Markets (NFPM) act as a main price information mechanism for potatoes. The Joburg Fresh Produce Market is the largest market in South Africa, with a market share of between 30% and 35%, and therefore plays an important role in price determination for smaller markets. As prices transpire during marketing hours, they are communicated with stakeholders throughout the country. For an example, farmers obtain prices on different markets via SMS sent by the potato industry to affiliated members. The timely transmission of markets information allows role players in the potato industry to make strategic business decisions on a daily basis.

2.2.3. VENTERSDORP VINEYARD

The Vineyard Project is centred on establishing a vineyard that will be cultivated on a 40-hectare piece of land. In the second phase which is not part of this business plan, the project, will establish a winery with a capacity of 1000 tons per month. The projects will be co-owned by a private cooperative made up of community members from Dr. Kenneth Kaunda District and the North West Distiller. Forty members of the community will form an Out-grower Scheme in which each member will be responsible for harvesting one hectare. The members will be responsible for their production and harvest, which later will be stored as stock for the cooperative.

The Ventersdorp Local Municipality could not allocate land for the project. The land used for the project is the land owned by one of the beneficiaries, Mr. Erens Henning. The project will diversify the local agriculture economy from the traditional maize growing into a potential Vineyard agro-economic venture. Local farmers will benefit through the diversification from subsistence maize growing to commercial viticulture.

The Ventersdorp Vineyard Project cultivated grapes that will mainly be used for rebate wine by Northside Distiller and other local distillers. The feasibility study indicates that there is a shortage of rebate wine required for the production of brandy in the industry. Therefore this project creates an opportunity for the supply of rebate

wine to the brandy making industry. The feasibility study also reflects that almost 90% of South Africa grapes are exported, while only 1% of the grapes that remain are used for rebate wines.

2.2.4. MEAT PROCESSING PLANT

The objective of the project is to establish a first class meat processing factory in South Africa for the processing of 1 000 pigs and 500 cattle. The plant is meant to be an integrated plant with a slaughter section and a processing section. The plant will slaughter bigger carcasses resulting in better yields of 30% on both pigs and cattle's. The project will ensure that global export markets are exploited for the sale of product from the plant. The plant will also have a world class training centre for the transfer of skill on meat processing technologies.

The processing plant is meant to be highly automated from slaughter to processing. The technology will be in line with world trends encompassing high hygiene standards with no breakage in cold chain. The factory is meant to be the modern and largest in South Africa. The main final products will be processed meat such as salami and it is targeting 70% of export market. Development of both the bankable Feasibility Study and Business Plan has been completed and project will move to the second phase i.e. implementation phase.

2.2.5. VENTERSDORP OLIVE OIL ORCHARD

The Ventersdorp Olives Orchard is a planned agricultural and agro-processing project that is an initiative of the Agency.

The Agency is hereby seeking to establish the viability of developing an olives farm and processing project in Ventersdorp. To this end, the feasibility study herein under seeks to investigate the size of the market, the required financial and non-financial resources, environmental, water and soil requirements, and legal and infrastructure requirements and make informed project decisions.

The Ventersdorp Olive Orchard is intended to be an olives cultivating farm with processing facilities to process some of the olives into olive oil, beauty products and health capsules. The project will target: local retail and wholesale outlets, restaurants and caterers, pharmacies, hospitals, beauty shops, etc, and international importers of table olives, olive oil, food, beauty and health products. Ventersdorp Olives Orchard is planned to have the following facilities:

- 500 hectare olives orchard
- 150,000 olive trees
- Irrigation system
- At least two-four bore-holes
- 1,000m² factory for processing and storage of olives, olive oil, food, beauty and health products
- Olive oil pressing machinery and storage facilities

2.2.6. VENTERSDORP AGRI-HUB

The Agency is in a process of establishing an Agricultural Hub as sustainable entity within Ventersdorp local municipalities with high potential for the development of the Agricultural sector. In order for the Agricultural Hub to operate effectively within cooperative governance rules and ethics. The initiative will assist both emerging and commercial farmers and ensure:

- Create and develop income-generating activities and sustainable decent employment;
- Introduce other high value crops
- Develop human resources capacities and knowledge of the values, advantages and benefits of the co-operative movement through education and training;
- Develop their business potential, including entrepreneurial and managerial capacities;
- Strengthen their competitiveness as well as gain access to markets and to institutional finance; increase savings and investment;
- Improve social and economic well-being, taking into account the need to eliminate all forms of discrimination.

2.2.7. MAQUASSIE HILLS 5000 HEAD CATTLE FEEDLOT

Maquassie Commercial Cattle Feedlot (MaqCCF) will be a member owned 5,000 head custom feedlot located in Maquassie Hills, It will provide professionally managed, specialized cattle feeding and management services to its members, largely being cooperatives. The commercial cattle feedlot should have access to competitive markets, timely information, and emerging technology for cattle producers in Maquassie. This will assist to improve their competitive position in the important value-added industry of producing high quality beef. MaqCCF shall be operated as a service oriented cost centre with operating profits being distributed to the producer owners and administration fees will be paid to Dr. KKDM Economic Agency.

MaqCCF will be a newly formed value-added business designed to provide services to its member owners and it will be run from Dr. KKDM Economic Agency. The Steering Committee will be responsible for raising capital, selecting a site, and building the feedlot in Maquassie Hills. The ability to identify needs of producers in Maquassie and provide services to efficiently fulfil these needs will be the foundation of the Steering Committee. Specialized labour and management, an integrated performance and marketing information system, and the ability to attract competitive bids for both cattle and inputs will keep cooperative members competitive in the rapidly changing cattle industry.

2.2.8. MAQUASSIE HILLS AGRO-PROCESSING INCUBATOR

Maquassi Hills Local Municipality is located in the Dr Kenneth Kaunda District Municipality of North West Province. It is about 240 km west of Johannesburg and covers an area of about 6143 km² with a population of around 90 000. The total size of the economy is estimated at R 800 million, of which the largest single sectoral contribution is due to agriculture (29%). Its major towns include Wolmaransstad and Leeudoringstad.

The growth in the agricultural sector has for all intents and purposes since 1996 been stagnant, despite the importance of the sector for the local economy, it is very critical for the local municipality to enhance value adding initiatives, in order to boost the economy.

The most important manufacturing sub-sector is the food processing sector (84% of total manufacturing). This sector is heavily dependent on agriculture for its inputs, and as agriculture stagnated over the past eight years, so did this sector – experiencing growth of just below 1% per annum.

Considering the potential the local municipality has in Agro- processing the Economic Agency is considering establishing an Agro-processing incubator; however it is imperative that the incubator and its intended produce and outputs be market (demanding driven).

In order to assess the need for such an incubator a feasibility study is commissioned. Amongst the other important factors the feasibility study will focus on are: the identification of Agro-products which are in demand locally and internationally, the availability of technology to process and the availability of input material and factors of production.

2.2.9. TLOKWE METAL FORMING AND CASTING FACTORY

The Agency seeks to determine the viability of establishing a metal forming and casting factory in Tlokwe. The two technologies to be applied at the factory are:

- Metal forming (in which force is applied to a piece of sheet metal to modify its geometry rather than remove any material),
- Metal casting (in which molten metal is poured into a cavity of mould and when cooled, solidifies, taking of characteristic shape of the mould).

The purpose of the establishment of the metal forming and casting factory in Tlokwe is, among other things to:

- Stimulate economic growth that is required to create jobs, reduce poverty and improve the lives of people in the Dr. Kenneth Kaunda District.
- To implement a project that will assist the district economy to realise its optimal potential.
- To assist the local municipality to facilitate the creation of an appropriate enabling environment conducive to economic development and investment.
- To promote the objectives of the National Industrial Policy Framework.
- To promote the development strategies of the New Growth Path.

2.2.10. SME INDUSTRIAL/MANUFACTURING PARK IN MATLOSANA

The Agency seeks to determine the viability of establishing an SME industrial manufacturing park in Matlosana. The manufacturing sector of the Matlosana is dominated by the production of the following:

- Non – metallic mineral products.
- Metal products.
- Machinery and household appliances.
- Food, beverage and tobacco products.
- Petroleum, fuel and rubber products.

The following are challenges faced by the manufacturing sector in the region:

- Lack of strong production growth in manufacturing.
- Decreasing employment manufacturing.
- Manufacturing is estimated to account for 8% of formal employment.
- Need for growth in labour-intensive manufacturing activities.

An industrial park for Matlosana is meant to address the above challenges and is earmarked for industrial activities and it will be located close to transport facilities and be accessed by emerging small and medium enterprises.

The objectives of setting the industrial park are:

- To be able to attract new manufacturing business by providing an integrated infrastructure environment in one location.
- To promote emerging enterprises in technology based manufacturing businesses.
- To graduate small businesses in the manufacturing sector from backyard operations to an affordable industrial zone.
- To create a “unique space” where entrepreneurs and business development and financing institutions can meet, network and prosper.
- To provide business services which add value and contribute to the growth of technology-rich business enterprises and their sustainability over the longer term.
- Increase the wealth of local knowledge intensive community on manufacturing.
- To promote a culture of innovation and stimulate the competitiveness of both companies and knowledge based institutions.

2.2.11. CEMENT FACTORY IN TLOKWE

According to the industry insight, the South African construction industry is a major player in the Southern African Development Community (SADC) region, contributing between 80 and 90% of total infrastructure spending. It is the major job creator in the economy, and employed over 1 million people at various skills levels during 2009.

Between 2006 and 2009, approximately R900 billion was spent on infrastructure, including associated mechanical and engineering equipment and services associated with power generation. This is more than double compared to what was spent over the previous four years. Robust growth in the construction industry has had many implications for the local cement industry. By 2009, the rapidly growing demand for cement put pressure on supply, and this resulted in all players increasing production capacity. By 2009, production capacity increased by 24% to 17.5 million. The implications of a cement shortage were severe and unexpected.

It is based on these facts that the Agency will like to assess the viability of establishing a cement making factory in Tlokwe.

2.3. PERFORMANCE INFORMATION

FUNCTIONAL AREA	STRATEGIC OBJECTIVE	BASELINE 2015/16			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES	QUARTERLY TARGETS	ACTUAL PERFORMANCE				CORRECTIVE MEASURE	REASON FOR DEVIATION	PORTFOLIO OF EVIDENCE	
		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								ACT	VTSD	RHR	SETSOKOTSANE			SAAMTREK-SAAMWERK	Mid-Year Performance Target
District Economic Development Agency	To promote socio-economic development	Business Plan	Support on Procurement for inputs material	Nil	KPI 1 To provide monitoring and evaluation support to Maquassi Tiisang Piggery Project in Hills Local Municipality by June 2018	Output	To provide monitoring and evaluation support to Maquassi Tiisang Piggery Project in Hills Local Municipality	R0.00		Agriculture	Tlokwe	None	None	Tlokwe LED	Support on Monitoring and Evaluation provided to Tiisang Piggery Project of Maquassi Hills Local Municipality for pigs by December 2017	Achieved 1 Report on Monitoring and Evaluation support provided	None	None	Report Monitoring and evaluation provided

NATIONAL PRIORITIES	DISTRICT ECONOMIC DEVELOPMENT																		
KPA	SPEED UP ECONOMIC GROWTH AND TRANSFORM THE ECONOMY TO CREATE DECENT WORK AND SUSTAINABLE LIVELIHOODS																		
OUTCOME 9	IMPLEMENTATION OF THE COMMUNITY WORK PROGRAMME																		
OUTCOME 9	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	BASELINE 2015/16			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES	QUARTERLY TARGETS	ACTUAL PERFORMANCE				CORRECTIVE MEASURE	REASON FOR DEVIATION	PORTFOLIO OF EVIDENCE	
		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								SETSOKOTSANE	SAAMTREK-SAAMWERK	Mid-Year Performance Target					
						lity by June 2018													
District Economic Development Agency	To promote socio-economic development	Business Plan from	Conducting an investigation on the project by June 2018	Nil	KPI 2 Conducting an investigation on the project by June 2018		R0.00		Agriculture	Matlwang Village	None	None	Tlokwe LED	Conduct an Investigation at the Potatoes Farm Project by December 2017	Achieved 1 Investigation Report to the Board			Investigation Report submitted to the Board	

FUNCTIONAL AREA	STRATEGIC OBJECTIVE	BASELINE 2015/16			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES	QUARTERLY TARGETS	ACTUAL PERFORMANCE					CORRECTIVE MEASURE	REASON FOR DEVIATION	PORTFOLIO OF EVIDENCE	
		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				Mid-Year Performance Target
District Economic Development Agency	To promote socio-economic development	Business Plan from	Support on Procurement for inputs material	Nil	KPI 3 To provide monitoring and evaluation support to Maquassi Tiisang Piggery Project in Hills Local Municipality by June 2018	Output	To provide monitoring and evaluation support to Maquassi Tiisang Piggery Project in Hills Local Municipality by June 2018	R0.00		Agriculture	Ventersdorp	None	None	Private Investor	Monitoring and Evaluation on support provided to Vineyard Project of Ventersdorp by December 2017	Achieved 1 Report on Monitoring and Evaluation provided	None	None	Report on monitoring and evaluation provided	

FUNCTIONAL AREA	STRATEGIC OBJECTIVE	BASELINE 2015/16			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES	QUARTERLY TARGETS	ACTUAL PERFORMANCE				CORRECTIVE MEASURE	REASON FOR DEVIATION	PORTFOLIO OF EVIDENCE		
		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								ACT	VTSD	RHR	SETSOKOTSANE				SAAMTREK-SAAMWERK	Mid-Year Performance Target
District Economic Development Agency	To promote socio-economic development	Business Plan and feasibility study conducted	Funding for Meat processing plant	Nil	KPI 4 Implementation of PPP processes by June 2018	Output	R800 000.00	R0.00	None	Matlosana	None	None	Anglo Gold Ashanti (Co-funder)	Conduct a workshop with National Treasury on implementing PPP processes for implementation phase by December 2017	Achieved 1 Workshop was conducted	None	None	-Attendance register -Minutes of the meeting		

FUNCTIONAL AREA	STRATEGIC OBJECTIVE	BASELINE 2015/16			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES	QUARTERLY TARGETS	ACTUAL PERFORMANCE				CORRECTIVE MEASURE	REASON FOR DEVIATION	PORTFOLIO OF EVIDENCE
		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								SETSOKOTSANE	SAAMTREK-SAAMWERK	Mid-Year Performance Target				
															ACT			
District Economic Development Agency	To promote socio-economic development	None	Concept Document	Nil	KPI 5 Progress Report from IDC on Implementation of the Project	Output	Procurement of services for development of a Feasibility Study and Bankable business Plan	R200 000.00	Tourism	matlosana	Tourism	None	Public Entity and Private Investor, IDC, (Co-funders)	Ratification of SCM processes on development of a Boat Manufacturing Plant by December 2017	Achieved SCM processes to unfold for appointment of an Expert for ratification of SCM processes	None	None	1 Advert to invite public comments, 2 Request for comments from Provincial and National Treasury

NATIONAL LG PRIORITIES	DISTRICT ECONOMIC DEVELOPMENT																		
	SPEED UP ECONOMIC GROWTH AND TRANSFORM THE ECONOMY TO CREATE DECENT WORK AND SUSTAINABLE LIVELIHOODS																		
	KPA																		
OUTCOME 9	IMPLEMENTATION OF THE COMMUNITY WORK PROGRAMME																		
	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																		
	FUNCTIONAL AREA	STRATEGIC OBJECTIVE	BASELINE 2015/16			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES	QUARTERLY TARGETS	ACTUAL PERFORMANCE				CORRECTIVE MEASURE	REASON FOR DEVIATION	PORTFOLIO OF EVIDENCE
Current status (Progress to date)			Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)	ACT								VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK			
District Economic Development Agency	To promote socio-economic development	Business Plan	Funding for identified project – Ventersdorp Olive oil Orchard for 2017/18 financial year requested	Nil	KPI 6 Request for funding for identified project – Ventersdorp Olive oil Orchard for 2017/18 financial year by June 2018	Output	Funding for identified project – Ventersdorp Olive oil Orchard for 2017/18 financial year requested by June 2018	R0.00	OPEX	Agricultural	Institutional	None	None	DTI, IDC, PDA, DM, LM	Progress report on Funding requested on Ventersdorp Olive oil Orchard for 2017/18 by December 2017	Achieved Progress report on request for funding	None	None	Report on progress made for sourcing of funds for 2017/18 financial period
District Econo	To promot	Busine	Funding for	Nil	KPI 7 Request	O	Funding for	R0.00	OPEX	Ag ric ult	in sti	N	N	L	Progress report on	Achieved Progress	None	None	Report on progress made for sourcing of funds for

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		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								ACT	VTSD	RHR	SETSOKOTSANE			SAAMTREK-SAAMWERK	Mid-Year Performance Target
mic Development Agency	e socio-economic development	Plan	identified project – Ventersdorp Agri-Hub for 2017/18 financial year		funding for identified project – Ventersdorp Agri-Hub for 2018/17 financial year by June 2018	put	identified project – Ventersdorp Agri-Hub for 2017/18 financial year requested by June 2018							Funding requested on Ventersdorp Agri-Hub for 2017/18 financial year requested by December 2017	report on request for funding			2017/18 financial period	
District Economic Development Agency	To promote socio-economic	Business Plan	Funding for identified project – Tlokwe Metal	Nil	KPI 8 Request funding for identified project – Tlokwe	Output	Funding for identified project – Tlokwe Metal	R0.00		None	Tlokwe	None	None	Progress report on Funding for identified project – Tlokwe	Achieved Progress report on request for funding	None	None	Report on progress made for sourcing of funds for 2017/18 financial period	

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		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								SETSOKOTSANE	SAAMTREK-SAAMWERK	Mid-Year Performance Target					
	development		forming and casting factory for 2017/18 financial year requested		Metal forming and casting factory for 2017/18 financial year by June 2018		forming and casting factory requested by June 2018												

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		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								ACT	VTSD	RHR	SETSOKOTSANE			SAAMTREK-SAAMWERK	Mid-Year Performance Target
District Economic Development Agency	To promote socio-economic development	Business Plan	Funding for identified project – Tlokwe Cement Factory for 2017/18 financial year	Nil	KPI 9 Request funding for identified project – Tlokwe Cement Factory for 2017/18 financial year by June 2018	Output	Funding for identified project – Tlokwe Cement Factory for 2017/18 financial year requested by June 2018	R0.00	R0.00	None	Tlokwe	None	None	IDC,PT,NT,DM,LM, DTI, SEFA	Progress report on Funding for identified project – Tlokwe Cement Factory for 2017/18 financial year requested by December 2017	Achieved Progress report on request for funding	None	None	Report on progress made for sourcing of funds for 2017/18 financial period

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		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								ACT	VTSD	RHR	SETSOKOTSANE				SAAMTREK-SAAMWERK	Mid-Year Performance Target
District Economic Development Agency	To promote socio-economic development	Business Plan 2012/13	Funding for identified project – Maquassi Hills 5000 Cattle-feedlot for 2017/18 financial year	Nil	KPI 10 Request funding for identified project – Maquassi Hills Cattle Feed-lot for 2017/18 financial year by June 2017	Output	Funding for identified project – Maquassi Hills Agro Processing Incubator requested by June 2017	R0.00	R0.00	Agriculture	Maquassi Hills	None	None	Land-bank, DTI, IDC, PDA, DM, LM	Progress report on Funding for identified project – Maquassi Hills 5000 Cattle-Feedlot for 2017/18 financial year requested by December 2017	Achieved Progress report on request for funding	None	None	Report on progress made for sourcing of funds for 2017/18 financial period	

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		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK	Mid-Year Performance Target					
District Economic Development Agency	To promote socio-economic development	Business Plan	Funding for identified project – Matlosana Local Municipality for 2017/18 financial year	Nil	KPI 12 Request funding for identified project – Matlosana – SMME/Manufacturing Park for 2017/18 financial year by June 2018	Output	Funding for identified project – Matlosana SMME/Manufacturing Park for 2017/18 financial year requested by June 2018	R0.00	R0.00	None	Maquassi Hills	None	None	IDC, PT, DM, LM, DTI, SEFA, ERY	Progress report on Funding for identified project – Matlosana SMME/Manufacturing Park for 2017/18 financial year requested by December 2017	Achieved Progress report on request for funding	None	None	Progress Report	DEA

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		Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)								ACT	VTSD	RHR	SETSOKOTSANE			SAAMTREK-SAAMWERK	Mid-Year Performance Target	
District Economic Development Agency	To promote socio-economic development	Business Plan	Funding for identified project – Matlosana Local Municipality for 2017/18 financial year	Nil	KPI 14 Request funding for identified project – Matlosana - Tannery for 2017/18 financial year by June 2018	Output	Funding for identified project – Matlosana Tannery for 2017/18 financial year requested by June 2018	R0.00	R0.00	None	Maquassi Hills	None	None	IDC, PT, DM, LM, DTI, SEFA, ERY	Progress report on Funding for identified project – Matlosana Tannery for 2017/18 financial year requested by December 2017	Achieved Progress report on request for funding	None	None	Progress Report	DEA